

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2014**



**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

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Required Supplemental Information (Part I)
Management's Discussion and Analysis

Union Parish Police Jury
Farmerville, Louisiana
Management's Discussion and Analysis
December 31, 2014 (Unaudited)

As management of the Union Parish Police Jury, we offer readers of the police jury's financial statements this narrative overview and analysis of the financial activities of the police jury for the year ended December 31, 2014. We encourage readers to consider the information presented here, in conjunction with the basic financial statements, and the supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the police jury's basic financial statements. The police jury's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the police jury's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the police jury's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the police jury is improving or deteriorating.

The statement of activities presents information showing how the police jury's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but not taken annual leave).

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The police jury, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the current funds of the police jury are included in one category - governmental funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Union Parish Police Jury

Management's Discussion and Analysis

December 31, 2014 (Unaudited)

The police jury maintains twenty-two individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road Maintenance Fund, the Road Construction Fund, the Sales Tax Landfill Fund, the Detention Center Fund, and the Workforce Investment Act Program Fund which all are considered to be major funds. Data from the other sixteen funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining schedules in the other supplemental information section of the report.

Government-wide Financial Analysis. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following tables focus on net position (Table 1) and changes in net position (Table 2) for the police jury's governmental activities.

Table 1
Net Position
Governmental Activities

	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 18,315,521	\$ 19,100,461
Capital assets (net)	<u>12,227,890</u>	<u>12,207,847</u>
Total assets	<u>30,543,411</u>	<u>31,308,308</u>
Long-term obligations	7,949,494	8,746,291
Other liabilities	<u>2,456,013</u>	<u>1,153,832</u>
Total liabilities	<u>10,405,507</u>	<u>9,900,123</u>
Deferred inflows - grant revenues pending	<u>14,194</u>	<u>14,194</u>
Net position:		
Net investment in capital assets	11,812,890	11,600,847
Restricted for landfill closure/post-closure care	5,000,081	4,765,799
Unrestricted	<u>3,310,739</u>	<u>5,027,345</u>
Total net position	<u>\$ 20,123,710</u>	<u>\$ 21,393,991</u>

Union Parish Police Jury
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Table 2
Changes in Net Assets
Governmental Activities

	<u>2014</u>	<u>2013</u>
Revenues		
Program revenues:		
Charges for services	\$ 3,867,625	\$ 4,313,027
Federal grants	1,851,197	2,470,922
State grants and entitlements	876,200	1,094,459
General revenues:		
Property taxes	3,186,071	3,258,064
Sales taxes	2,448,065	2,460,071
Unrestricted grants and contributions	963,168	818,830
Other general revenues	435,743	210,006
Total revenues	<u>13,628,069</u>	<u>14,625,379</u>
 Program expenses		
General government	2,049,624	1,352,780
Public safety	4,377,482	4,089,011
Public works	5,704,715	2,940,447
Health and welfare	1,861,820	1,860,674
Culture and recreation	448,971	437,844
Economic development and assistance	54,593	45,444
Transportation	146,467	79,300
Interest expense	21,200	26,344
OPEB obligation	233,477	157,611
Total expenses	<u>14,898,349</u>	<u>10,989,455</u>
 Increase (decrease) in net position	<u>\$ (1,270,280)</u>	<u>\$ 3,635,924</u>

At the close of the fiscal year, assets of the police jury exceeded liabilities by \$20,123,710. Of net position, \$11,812,890 represents the police jury's investment in capital assets net of accumulated depreciation and related debt. Those assets are not available for future spending. The remaining balance of net position is made up of bank balances, time deposits, and receivables.

Table 3 presents the cost of each of the police jury's major functions as well as the net cost for each function (total cost less revenues generated by those functions). The net cost shows the financial burden placed on the parish's taxpayers for each of those functions.

Union Parish Police Jury
Management's Discussion and Analysis
December 31, 2014 (Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
General government	\$ 2,049,624	\$ 1,352,780	\$ 1,861,723	\$ 1,135,836
Public safety	4,377,482	4,089,011	1,538,054	1,118,767
Public works	5,704,715	2,940,447	3,768,874	1,253,171
Health and welfare	1,861,820	1,860,674	362,487	339,488
Culture and recreation	448,971	437,844	381,032	373,137
Economic development and assistance	54,593	45,444	54,593	45,444
Transportation	146,467	79,300	81,887	(1,050,337)
Interest expense	21,200	26,344	21,200	26,344
OPEB obligation	233,477	157,611	233,477	157,611
Totals	<u>\$ 14,898,349</u>	<u>\$ 10,989,455</u>	<u>\$ 8,303,327</u>	<u>\$ 3,399,461</u>

Significant variances in expenses were increases in general government and public safety of \$725,887 and \$419,287, respectively.

Financial Analysis of the Government's Funds. The police jury uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term revenue, expenditures, and balances of expendable resources. This information is used in assessing the financing requirements of the police jury. Unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2014, combined governmental fund balances of \$15,845,312 showed a decrease of \$619,925 over December 31, 2013. The General Fund's balance of \$1,260,854 is less than the 2013 balance of \$1,334,926. Significant variances included an increase in Sales Tax Landfill Fund of \$335,310 and decreases in Road Maintenance, Road Construction, and Detention Center of \$286,096, \$419,524, and \$162,082, respectively.

Union Parish Police Jury
Management's Discussion and Analysis
December 31, 2014 (Unaudited)

General Fund revenues increased \$558,904 due primarily to a \$421,834 increase in intergovernmental revenue offset by minor decreases in other line items. General Fund expenditures increased \$913,716 due primarily to increases of \$707,133 and \$282,594, in general government and public safety offset by a \$91,931 decrease in health and welfare. The increase in general government expenditures comes primary from medical insurance premium increases and the construction of a new roof for the Courthouse. The increase in public safety is due to the construction of two fire stations within the parish. The decrease in health and welfare relates to decrease in grants.

Revenues of the Road Maintenance Fund decreased \$114,602 while expenditures increased \$116,213. The increase in expenditures comes primarily from a grant received in 2014.

Revenues of the Road Construction Fund decreased \$17,827 while expenditures increased \$926,791 due to road projects. The design phase of the projects was completed and construction work began in 2014 but the projects had to be "wintered" until the spring of 2015 for completion.

Revenues of the Sales Tax Landfill Fund increased \$34,726. Expenditures of the fund decreased \$253,965 as a result of reduction of the 2014 costs associated with ongoing projects at the landfill.

Revenues of the Detention Center Fund decreased \$276,258 while expenditures increased \$50,601. Transfers in from other funds totaled \$800,000.

Budgetary Highlights

The following table illustrates the changes between final and original budgets of the major funds:

	<u>General</u>	<u>Road Maintenance</u>	<u>Road Construction</u>	<u>Sales Tax Landfill</u>	<u>Detention Center</u>
Revenues:					
Original	\$ 1,375,515	\$ 1,550,797	\$ 754,750	\$ 3,232,525	\$ 2,158,590
Final	1,909,915	1,350,797	754,750	3,332,525	1,710,150
Change	<u>\$ 534,400</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ (448,440)</u>
Expenditures:					
Original	\$ 1,716,600	1,713,019	1,041,200	2,040,624	2,559,274
Final	2,777,000	1,865,019	1,890,700	2,307,976	2,979,274
Change	<u>\$ (1,060,400)</u>	<u>\$ (152,000)</u>	<u>\$ (849,500)</u>	<u>\$ (267,352)</u>	<u>\$ (420,000)</u>

All major fund budgets were amended to reflect actual beginning equity.

The General Fund amended budget included increases in fire insurance rebate, roof construction, and interfund transfers.

The Road Maintenance Fund amended budget included increases in fuel costs, equipment purchased, and medical insurance premiums. Decreases in fees, charges and commissions for services resulted in amended revenues as well.

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The Detention Center Fund amended budget included decreases in revenue for housing inmates and increases in expenses for salaries, and medical and food costs for prisoners.

Capital Asset and Debt Administration

Capital Assets. The police jury's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$12,227,890 (net of accumulated depreciation). This investment includes land, buildings and improvements, furniture and equipment, vehicles, public works equipment and fire, water and sewer system improvements. During the year, the police jury purchased assets totaling \$991,777 and disposed of assets totaling \$667,261. Additions include the purchase of public works equipment, land, and six vehicles.

Long-Term Obligations. At the end of the year, police jury had total long-term obligations of \$6,703,114 up from \$6,266,192 at December 31, 2013. The obligations consisted of accrued and unused employee annual leave, certificates of indebtedness, and landfill closure/post closure care.

The police jury also has accrued a liability for other post-employment benefits totaling \$1,246,380. Under GASB No. 45, the police jury recognized \$233,477 for other postemployment benefits during 2014 due to its providing insurance to retirees until age 65.

Economic Factors and Next Year's Budgets

The police jury's financial plan for this upcoming year is well underway since the adoption of a realistic budget that meets the needs of the parish while protecting the long-term financial stability of the parish.

The 2015 General Fund and the Sales Tax Landfill Fund are projected to have positive balances even though we project expenditures to exceed projected revenues. Our surplus balances will cover the 2015 budgeted expenditures over the budgeted revenues. The General Fund budgeted expenditures are based on anticipated increasing costs of fuel, insurance, judicial expenses, public safety expenses and utilities. The Sales Tax Landfill Fund expenditures are due, in part, to anticipated increases in costs of fuel, the maintenance and/or replacement of major operational items, which will aid in assuring the fiscal security of the Union Parish Police Jury.

Requests for Information

This financial report is designed to be a summary of the Union Parish Police Jury's finances. If there are any questions regarding any information, a request can be made in writing to the Union Parish Police Jury, at P.O. Box 723, Farmerville, Louisiana 71241. Our telephone number is (318) 368-3296.



Independent Auditor's Report

To the President, Secretary-Treasurer,
and Members of the
Union Parish Police Jury
Farmerville, Louisiana

Report on the Financial Statements

We have audited the accompanying primary government financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Police Jury's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information

The financial statements referred to above do not include financial data for the Police Jury's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Police Jury's primary government unless the Police Jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The Police Jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units are understated by the amount of assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by the amount of assets, liabilities, fund balances, revenues, and expenditures of the omitted component units. The amounts by which this departure would affect the financial statements are not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Police Jury, as of December 31, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on Aggregate Discretely Presented Component Units and Qualified Opinion on Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Union Parish Police Jury, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Police Jury, as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and Employee Health Care Plan – Schedule of Funding Progress on pages 1-7, 41-46, and 47, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Union Parish Police Jury
Farmerville, Louisiana
Independent Auditor's Report
December 31, 2014

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish Police Jury's basic financial statements. The combining nonmajor fund financial statements; the schedule of compensation paid police jurors; and the schedule of compensation, benefits, reimbursements, and other payments to or on behalf of the agency head; are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements; the schedule of compensation paid police jurors; the schedule of compensation, benefits, reimbursements, and other payments to or on behalf of the agency head; and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements; the schedule of compensation paid police jurors; the schedule of compensation paid police jurors; the schedule of compensation, benefits, reimbursements, and other payments to or on behalf of the agency head; and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2015, on our consideration of the Union Parish Police Jury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Parish Police Jury's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

Jeffrey B. Statham

Jonesboro, Louisiana
October 4, 2015

Basic Financial Statements

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2014**

ASSETS	
Cash and cash equivalents	\$ 6,259,472
Investments	7,413,268
Receivables	4,642,781
Capital assets, net of accumulated depreciation	12,227,890
TOTAL ASSETS	30,543,411
LIABILITIES	
Cash overdraft	1,158,594
Accounts, salaries and other payables	911,561
Retainage payable	30,838
Deposits due others	355,020
Compensated absences	222,837
Certificates of indebtedness due within one year	180,000
Public building revenue bonds due within one year	18,000
Public building revenue bonds due in more than one year	217,000
Net OPEB obligation	1,246,380
Landfill closure/postclosure care	6,065,277
TOTAL LIABILITIES	10,405,507
DEFERRED INFLOWS	
Grant revenues pending	14,194
NET POSITION	
Net investment in capital assets	11,812,890
Restricted for landfill closure/postclosure care	5,000,081
Unrestricted	3,310,739
TOTAL NET POSITION	\$ 20,123,710

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

FUNCTIONS - GOVERNMENTAL ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
General government	\$ 2,049,624	\$ 146,302	\$ 41,599	\$ -	\$ (1,861,723)
Public safety	4,377,482	2,380,646	123,557	335,225	(1,538,054)
Public works	5,704,715	1,310,783	527,598	97,460	(3,768,874)
Health and welfare	1,861,820	18,509	1,452,424	28,400	(362,487)
Culture and recreation	448,971	11,385	56,554	-	(381,032)
Economic development and assistance	54,593	-	-	-	(54,593)
Transportation	146,467	-	7,350	57,230	(81,887)
Interest expense	21,200	-	-	-	(21,200)
OPEB obligation	233,477	-	-	-	(233,477)
Total governmental activities	<u>\$ 14,898,349</u>	<u>\$ 3,867,625</u>	<u>\$ 2,209,082</u>	<u>\$ 518,315</u>	<u>(8,303,327)</u>
General revenues:					
Property taxes levied for:					
General purposes					678,193
Public works					1,727,325
Health and welfare					260,332
Culture and recreation					520,221
Sales and use taxes levied for public works					2,448,065
Other taxes, penalties and interest					24,678
Grants and contributions not restricted to specific programs					963,168
Unrestricted investment earnings					2,177
Restricted investment earnings					1,010
Donations					1,611
Other					406,267
Total general revenues					<u>7,033,047</u>
Change in net position					(1,270,280)
Net position at beginning of year, restated					21,393,990
Net position at end of year					<u>\$ 20,123,710</u>

The accompanying notes are an integral part of these financial statements.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUNDS - BALANCE SHEET
AS OF DECEMBER 31, 2014**

		ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS	GENERAL						
Cash and cash equivalents	\$ 79,996	\$ 452,054	\$ 1,025,625	\$ 2,922,371	\$ 500	\$ 1,778,926	\$ 6,259,472
Investments	499,287	152,391	291,069	5,794,966	37,999	637,555	7,413,267
Receivables	1,326,848	1,062,628	835,087	389,141	158,776	870,301	4,642,781
Due from other funds	12,500	-	-	-	-	-	12,500
Total assets	<u>\$ 1,918,631</u>	<u>\$ 1,667,073</u>	<u>\$ 2,151,781</u>	<u>\$ 9,106,478</u>	<u>\$ 197,275</u>	<u>\$ 3,286,782</u>	<u>\$ 18,328,020</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY							
Liabilities:							
Cash overdraft	\$ 23,654	\$ -	\$ -	\$ -	\$ 1,134,940	\$ -	\$ 1,158,594
Accounts payable	514,177	56,279	28,951	27,044	85,160	64,618	776,229
Salaries and related payables	89,108	16,488	-	10,936	-	18,801	135,333
Retainage payable	30,838	-	-	-	-	-	30,838
Deposits due others	-	355,020	-	-	-	-	355,020
Due to other funds	-	-	-	-	-	12,500	12,500
Total liabilities	<u>657,777</u>	<u>427,787</u>	<u>28,951</u>	<u>37,980</u>	<u>1,220,100</u>	<u>95,919</u>	<u>2,468,514</u>
Deferred inflows:							
Grant revenues pending	-	-	-	-	-	14,194	14,194
Fund equity - fund balances:							
Restricted	-	1,239,286	2,122,830	9,068,498	-	3,181,624	15,612,238
Unassigned	1,260,854	-	-	-	(1,022,825)	(4,955)	233,074
Total fund equity - fund balances	<u>1,260,854</u>	<u>1,239,286</u>	<u>2,122,830</u>	<u>9,068,498</u>	<u>(1,022,825)</u>	<u>3,176,669</u>	<u>15,845,312</u>
Total liabilities, deferred inflows, and fund equity	<u>\$ 1,918,631</u>	<u>\$ 1,667,073</u>	<u>\$ 2,151,781</u>	<u>\$ 9,106,478</u>	<u>\$ 197,275</u>	<u>\$ 3,286,782</u>	<u>\$ 18,328,020</u>

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS'
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

Total fund balances - governmental funds	\$ 15,845,312
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Amounts reported for governmental activities in the statement of
net position are different because:

Capital assets used in governmental activities are not financial resources	12,227,890
--	------------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund statements.	(7,949,492)
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Net assets of governmental activities	<u>\$ 20,123,710</u>
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The accompanying notes are an integral part of these financial statements.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	WORKFORCE INVESTMENT ACT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:								
Taxes:								
Ad valorem	\$ 678,193	\$ 941,762	\$ 785,563	\$ -	\$ -	\$ -	\$ 780,553	\$ 3,186,071
Sales and use	-	-	-	2,448,065	-	-	-	2,448,065
Other taxes, penalties, and interest	24,678	-	-	-	-	-	-	24,678
Licenses and permits	118,850	-	-	-	-	-	-	118,850
Intergovernmental funds:								
Federal funds	365,940	5,103	4,256	112,707	-	842,513	520,678	1,851,197
State funds:								
Severance taxes	947,263	-	-	-	-	-	-	947,263
State revenue sharing	41,599	56,655	56,655	-	-	-	56,502	211,411
Parish transportation	-	300,505	-	-	-	-	-	300,505
Fire insurance rebate	94,569	-	-	-	-	-	-	94,569
Other state funds	99,790	98,536	-	-	-	-	87,294	285,620
Fees, charges and commissions for services	30,160	126,672	-	1,184,111	1,766,972	-	304,591	3,412,506
Fines and forfeitures	-	-	-	-	-	-	127,472	127,472
Use of money and property	17,088	39	74	1,211	10	-	193,562	211,984
Other revenues	7,292	5,562	-	-	170,722	-	69,438	253,014
Donations	-	-	-	-	-	-	1,611	1,611
Total revenues	<u>2,425,422</u>	<u>1,534,834</u>	<u>846,548</u>	<u>3,746,094</u>	<u>1,937,704</u>	<u>842,513</u>	<u>2,141,701</u>	<u>13,474,816</u>
Expenditures:								
Current:								
General government:								
Legislative	125,034	-	-	-	-	-	-	125,034
Judicial	231,263	-	-	-	-	-	136,933	368,196
Elections	25,503	-	-	-	-	-	-	25,503
Finance and administrative	302,753	-	-	-	-	-	9,810	312,563
Other general government	1,175,029	-	-	-	-	-	-	1,175,029

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	GENERAL	ROAD MAINTENANCE	ROAD CONSTRUCTION	SALES TAX LANDFILL	DETENTION CENTER	WORKFORCE INVESTMENT ACT	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Public safety	662,061	-	-	-	2,899,786	-	538,058	4,099,905
Public works	-	1,604,636	1,266,072	1,007,418	-	-	751,547	4,629,673
Health and welfare	255,696	-	-	-	-	842,513	750,044	1,848,253
Culture and recreation	1,800	-	-	-	-	-	378,318	380,118
Economic development and assistance	51,837	-	-	-	-	-	-	51,837
Transportation	-	-	-	-	-	-	26,219	26,219
Debt service	-	-	-	186,666	-	-	26,534	213,200
Capital outlay	6,771	216,294	-	66,700	-	-	702,699	992,464
Total expenditures	<u>2,837,747</u>	<u>1,820,930</u>	<u>1,266,072</u>	<u>1,260,784</u>	<u>2,899,786</u>	<u>842,513</u>	<u>3,320,162</u>	<u>14,247,994</u>
Excess (deficiency) of revenues over expenditures	<u>(412,325)</u>	<u>(286,096)</u>	<u>(419,524)</u>	<u>2,485,310</u>	<u>(962,082)</u>	<u>-</u>	<u>(1,178,461)</u>	<u>(773,178)</u>
Other sources (uses):								
Operating transfers in	1,000,000	-	-	-	800,000	-	1,165,000	2,965,000
Proceeds from insurance	153,253	-	-	-	-	-	-	153,253
Operating transfers out	(815,000)	-	-	(2,150,000)	-	-	-	(2,965,000)
Total other sources (uses)	<u>338,253</u>	<u>-</u>	<u>-</u>	<u>(2,150,000)</u>	<u>800,000</u>	<u>-</u>	<u>1,165,000</u>	<u>153,253</u>
Net change in fund balances	(74,072)	(286,096)	(419,524)	335,310	(162,082)	-	(13,461)	(619,925)
Fund balances (deficit) at beginning of year	1,334,926	1,525,382	2,542,354	8,733,188	(860,743)	-	3,190,130	16,465,237
Fund balances (deficit) at end of year	<u>\$ 1,260,854</u>	<u>\$ 1,239,286</u>	<u>\$ 2,122,830</u>	<u>\$ 9,068,498</u>	<u>\$ (1,022,825)</u>	<u>\$ -</u>	<u>\$ 3,176,669</u>	<u>\$ 15,845,312</u>

The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net change in fund balances - total governmental funds \$ (619,925)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	991,777
Depreciation	(971,734)

Governmental funds report the retirement of long-term debt as an expenditure. However, in the government-wide financial statements, that amount representing principal on long-term debt is not treated as an expense but is instead applied against outstanding long-term debt on the Statement of Net Position.

192,000

Governmental funds do not report increases in the landfill closure/post closure care liability as a current expenditure because it does not require the use of current financial resources. However, in the statement of activities, such expenses are recognized as they accumulate.

(625,453)

Some items reported in the statement of activities, such as a net decrease or increase in compensated absences, do not require the use of current financial resources, nor do they provide any, and therefore are not reported as expenditures or revenues in the governmental funds.

(3,468)

Payments of long-term debt, including contributions to the OPEB obligation, are reported as expenditures in governmental funds. However, these amounts are a reduction of long-term liabilities in the Statement of Net Position and are not reflected in the Statement of Activities.

(233,477)

Change in net position of governmental activities \$ (1,270,280)

The accompanying notes are an integral part of these financial statements.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**FIDUCIARY FUND - INMATE BANKING AGENCY FUND
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2014**

ASSETS

Cash and cash equivalents	\$ 380,838
Receivables	24,813
TOTAL ASSETS	<u>\$ 405,651</u>

LIABILITIES

Deposits due others	\$ 393,595
Due to inmates	12,056
TOTAL LIABILITIES	<u>\$ 405,651</u>

NET POSITION

Unrestricted	<u>\$ -</u>
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The accompanying notes are an integral part of these financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Introduction

Union Parish Police Jury is the parish governing authority governed by an elected board referred to as the "police jury" (similar to county boards in other states) and is a political subdivision of the State of Louisiana. The police jury is governed by nine police jurors representing the various districts within the parish. The jurors are elected by the voters of their respective districts and serve four-year terms. The current terms of jurors expire in January 2016. Jurors receive compensation for their service on the police jury as provided by Louisiana Revised Statute 33:1233.

Union Parish, established by Act 12 of the Louisiana Legislature in 1839, is located in the north central part of the state and occupies 878 square miles of land with a population of 20,690 residents, based on the last census. State law gives the police jury various powers and functions in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the power to make regulations for their own government; to construct and maintain roads and bridges, drainage systems, sewerage systems, water works systems, parish prisons, health units, and hospitals; to manage solid waste disposal; to provide for fire protection, recreation, and parks, road lighting and marking, and the health and welfare of the poor, disadvantaged, and unemployed; to promote economic development and tourism; and to regulate the sale of alcoholic beverages in the parish. The police jury also houses and maintains the Courts and the offices of the Assessor, Clerk of Court, Registrar of Voters, District Attorney and the Sheriff. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, parish licenses, state revenue sharing, severance taxes and various other state and federal grants.

In accomplishing its objectives, the police jury employs approximately 130 employees (4 in the central office, 4 in the courthouse, 2 in the 911 office, 5 in the library, 3 at the health unit, 1 in emergency preparedness, 60 at the detention center and 51 in public works). In addition to maintaining drainage and bridges in the parish, the police jury currently maintains 1,016 miles of parish roads.

The police jury also has the authority to create special districts (component units) within the parish to help in fulfilling its functions. The districts perform specialized functions, such as fire protection, water distribution, sewerage collection and disposal, drainage control, library facilities, and health care facilities.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The accompanying financial statements and notes thereto are presented in accordance with Statement No. 34.

GASB Statement No. 14, *The Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the jury is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the police jury may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. In accordance with GASB Statement 14, the reporting entity for Union Parish consist of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Introduction (Continued)

GASB Statement No. 14 established criteria for determining which component units should be considered part of Union Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

- The police jury appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the police jury.
- The entity is fiscally dependent on the police jury.
- The nature and significant of the relationship between the police jury and the entity is such that exclusion would cause the financial statements of the police jury to be misleading or incomplete.

Based on the previous criteria, the police jury has determined that the following component units are part of the Union Parish reporting entity:

Component Units:	Fiscal Year End	Criteria Used
Union Parish:		
Tax Assessor	December 31	2 & 3
Sheriff	June 30	2 & 3
Clerk of Court	December 31	2 & 3
Communications District	December 31	1 & 3
Tourist Commission	December 31	1 & 3
Library	December 31	2 & 3
Third Judicial District Criminal Court (Union Parish)	December 31	2 & 3
Waterworks District No. 1	December 31	1 & 3
Rocky Branch Waterworks District	December 31	1 & 3
Tri-Ward Hospital Service District	December 31	1 & 3
East Union Hospital Service District	March 31	1 & 3
West Sterlington Sewer District	December 31	1 & 3
Rocky Branch-Crossroads Fire Protection District	December 31	1 & 3
Ward 5 Fire Protection District	December 31	1 & 3
North Union Fire Protection District	December 31	1 & 3
Spencer-West Sterlington Fire Protection District	December 31	1 & 3
Northeast Union Fire Protection District	December 31	1 & 3
Sadie-Tiger Bend Fire Protection District	December 31	1 & 3
Bernice Area Fire Protection District	December 31	1 & 3
Farmerville Area Fire Protection District	December 31	1 & 3

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Introduction (Continued)

Considered in the determination of component units of the reporting entity was the Union Parish School Board, the District Attorney for the Third Judicial District, the Third Judicial District Court, and the various municipalities in the parish. It was determined that these governmental entities are not component units of Union Parish reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of Union Parish Police Jury.

GASB Statement 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (police jury's) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

The police jury has chosen to issue financial statements of the primary government (police jury) only; therefore, none of the previously listed component units, except as discussed in the following paragraph, are included in the accompanying primary government financial statements. These financial statements are not intended to and do not report on the Union Parish reporting entity but rather are intended to reflect only the financial statements of the primary government (police jury).

The primary government financial statements include all funds, account groups, and organizations for which the police jury maintains the accounting records. The organizations for which the police jury maintains the accounting records are considered part of the primary government (police jury) and include the Union Parish Library, the Union Parish Detention Center, Union Parish Communications District, and the Third Judicial District Criminal Court.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and, where applicable, proprietary and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and, where applicable, major individual enterprise funds are reported as separate columns in the fund financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund financial statements, where applicable. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes, sales taxes, state revenue sharing, and federal and state grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the police jury.

The police jury's current year financial statements include the following major governmental funds:

The General Fund is the police jury's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Road Maintenance Fund accounts for the maintenance of the parish highways, roads, bridges, and drainage systems. Financing is provided by the State of Louisiana Parish Transportation Fund, sales and use taxes, a specific parishwide ad valorem tax, state revenue sharing funds, and interest earnings.

The Road Construction Fund accounts for major upgrades and repairs of parish highways, streets, and bridges. Financing is provided by state revenue sharing, interest earnings, and a specific parishwide ad valorem tax.

The Sales Tax Landfill Fund accounts for operation of the Union Parish Sanitary Landfill. Financing is provided by a parishwide sales tax, dumping fees, and interest earned on deposits. In accordance with the tax proposition, excess taxes not required for operation of the landfill are transferred to other funds for road construction and maintenance, solid waste collection, and the retirement of long-term debt associated with operation of the landfill.

The Detention Center Commission Fund accounts for the cost of housing prisoners convicted of state and federal offenses at the parish prison. Financing is provided by fees charged the state and federal governments and transfers from the General Fund.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation (Continued)

The Workforce Investment Act (WIA) Fund accounts for grants from the United States Department of Labor through the Louisiana Department of Labor. Grants flow through the police jury, the grant recipient, to Workforce Investment Board #82, the program operator. The program, more fully discussed at note 13, provides job training and related assistance to economically disadvantaged individuals. The ultimate goal of the program is to move trainees into permanent, self-sustaining employment. The program is reported on a June 30 year end.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the police jury's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Type Definitions

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Union Parish Police Jury classifies governmental fund balances as follows:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
Restricted	Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. Fund balance may be committed by the Union Parish Police Jury.
Assigned	Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Union Parish Police Jury.
Unassigned	Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and investments

The police jury's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law allows the police jury to invest in collateralized certificates of deposits, government backed securities, commercial paper, the Louisiana Asset Management Pool (a state sponsored investment pool), and mutual funds consisting solely of government backed securities. Currently, all investments of the police jury consist of deposits in the Louisiana Asset Management Pool and a trust account at Community Trust Bank. Investments for the police jury are reported at fair value.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All property tax receivables are shown net of uncollectible accounts. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15th. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration
Parishwide taxes:			
General	4.00	2.79	Indefinite
Road Maintenance	6.15	6.15	2016
Road Construction	5.13	5.13	2016
Library	2.40	2.40	2016
Library - Support	1.00	1.00	2019
Health Unit	1.57	1.70	2014
Council on Aging	1.50	1.63	2022

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and payables

The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The following are the principal taxpayers for the parish and their 2014 assessed valuation (amounts expressed in thousands):

	2014 Assessed Valuation	Percent of Total Assesse Valuation
Midcontinent Express Pipeline, LLC	\$ 24,311	12.35%
Foster Poultry Farms	13,521	6.87%
Gulf Crossing Pipeline Company	11,153	5.67%
Enervest Operating Company	6,787	3.45%
Claiborne Electric Coop	4,518	2.30%
Enable Gas Transmission, LLC	3,900	1.98%
Entergy Louisiana, Inc.	2,909	1.48%
Trans-Union Interstate Pipeline	2,485	1.26%
CenturyTel Service Group, LLC	2,464	1.25%
Cargas Operating Company	1,763	0.90%
Total	<u>\$ 73,811</u>	<u>37.51%</u>

Union Parish has a one percent sales and use tax, which was passed by the voters on April 30, 1983, for an indefinite period. The net proceeds of the tax (after necessary costs of collection) are used: (1) to construct, acquire, improve, maintain, and operate solid waste collection and disposal facilities; (2) to construct, improve, and maintain streets, roads, and bridges; and (3) to fund the retirement of bonds issued to construct any of the above capital facilities. The Lincoln Parish Sales and Use Tax Commission, through an agreement with the Union Parish Sales and Use Tax Commission, serves as the sales tax collection agency for the parish.

The Commission provides collection services for a fee of one and one-quarter percent of amounts actually collected.

Capital assets

Capital assets, which include property, plant, equipment, etc., are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost.

Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The police jury maintains a threshold level of \$5,000 or more for capitalizing assets except for the Library Fund, which maintains a threshold of \$1,000.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend their useful lives are not capitalized.

UNION PARISH POLICE JURY FARMERVILLE,
LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	20 - 30 Years
Buildings and improvements	20 - 40 Years
Fire, sewer and water systems improvements	20 - 30 Years
Public works equipment	5 - 15 Years
Vehicles	3 - 7 Years
Office furniture and equipment	5 - 10 Years
Library materials	5 Years

Compensated absences

The following policies relating to vacation and sick leave are currently in effect:

Full-time employees of the Union Parish Library earn from 10 to 20 days of annual leave each year, depending upon their classification and length of service. After ten years of continuous service, employees receive an additional two days of annual leave each year. Annual leave cannot be carried forward to succeeding years. Full-time employees earn 12 days of sick leave each year while employees working between 20 and 40 hours per week earn sick leave on a pro rata basis. Sick leave may be accumulated without limitation. Upon reaching retirement, an employee has the option of being paid for accumulated leave up to 100 hours at his or her current rate of pay or having it applied toward the retirement benefit calculation.

Employees of the district attorney's office paid from the Criminal Court Special Revenue Fund earn 12 days of annual leave and 12 days of sick leave per year. Leave cannot be accumulated and carried forward to succeeding years. There is no formal leave policy for employees of the district judge's office paid from the Criminal Court Fund.

All full-time employees of the police jury earn annual leave at rates varying from 10 to 18 days per year, depending upon their length of service. All permanent part-time employees earn annual leave on a pro rata basis. Annual leave may be accumulated to an unlimited number of days. Upon voluntary resignation, retirement, or death, accumulated annual leave of up to 300 hours is paid at the employee's current rate of pay. In addition, all full-time employees earn 12 days of sick leave each year and all permanent part-time employees earn sick leave on a pro rata basis. Sick leave may be accumulated to an unlimited number of days. Employees have the option, upon retirement, of being paid for sick leave up to 100 hours or applying sick leave to retirement.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated absences (continued)

The entire compensated absence liability, determined in accordance with the provisions of GASB Codification Section C60, is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the governmental funds.

Long-term obligations

In the government-wide financial statements, long-term obligations, such as certificates of indebtedness and compensated absences are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental fund types recognize long-term obligations only to the extent that they will be paid with current resources.

Restricted net position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either:

1. Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
2. Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the Police Jury's policy to use restricted resources first, then the unrestricted resources as they are needed.

Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the police jury, which are either unusual in nature or infrequent in occurrence.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 2 - CASH AND CASH EQUIVALENTS

Custodial credit risk is the risk that the police jury's deposits may not be returned to it in the event of a bank failure. The police jury's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the police jury that the fiscal agent bank has failed to pay deposited funds upon demand.

Under state law, the police jury may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2014, the police jury has cash and cash equivalents (book balances) totaling \$11,640,390, (including \$5,000,081 in the landfill assurance trust account classified as investments on the governmental funds balance sheet and statement of net position and \$380,838 in the inmate banking agency fund) as follows:

Demand deposits	\$11,629,712
Time deposits	10,078
Petty cash	600
Total	<u>\$11,640,390</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of December 31, 2014, the police jury had bank balances of \$10,603,467 (including \$5,000,081 classified as investments on the governmental funds balance sheet and statement of net position in the landfill assurance trust account and \$411,460 in the inmate banking agency fund) of which \$10,093,384 was exposed to custodial credit risk as follows:

Insured by FDIC	<u>\$ 510,083</u>
Uninsured and uncollateralized	-
Collateralized by pledged securities not in the Police Jury's name	<u>10,093,384</u>
Total balances exposed to custodial credit risk	<u>10,093,384</u>
Total bank balances	<u>\$ 10,603,467</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 3 - INVESTMENTS

Investments held at December 31, 2014, consist of \$5,000,081 in the Landfill Assurance Trust account at Community Trust Bank and \$2,413,187 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA - R.S. 33:2955.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA - R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "investment grade (A-I/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments. LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools: (1) credit risk: LAMP is rated AAAM by Standard & Poor's; (2) custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required; (3) concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement; (4) interest rate risk: GASB No. 40 excludes 2a7-like investment pools from this disclosure requirement; and, (5) foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 4 - RECEIVABLES

The receivables of \$4,642,781 at December 31, 2014, are as follows:

		Due From Other Governments		Fines and Forfeitures	Accounts and Other	Total
	Taxes	Federal	State			
General	\$ 691,379	\$ 303,375	\$ 320,889	\$ -	\$ 11,205	\$ 1,326,848
Road Maintenance	955,853	-	106,775	-	-	1,062,628
Road Construction	797,317	-	37,770	-	-	835,087
Sales Tax Landfill	283,778	-	-	-	105,363	389,141
Detention Center	-	-	-	-	158,776	158,776
Other governmental	792,586	-	37,668	10,860	29,187	870,301
Total	<u>\$ 3,520,913</u>	<u>\$ 303,375</u>	<u>\$ 503,102</u>	<u>\$ 10,860</u>	<u>\$ 304,531</u>	<u>\$ 4,642,781</u>

NOTE 5 - INTERFUND TRANSFERS

Interfund transfers during the year ended December 31, 2014, were as follows:

		Transfers out		
		General	Sales Tax	Total
Transfers in	General	\$ -	\$ 1,000,000	\$ 1,000,000
	Detention Center	800,000	-	800,000
	Nonmajor Funds	15,000	1,150,000	1,165,000
	Total	<u>\$ 815,000</u>	<u>\$ 2,150,000</u>	<u>\$ 2,965,000</u>

Transfers from the General Fund to other funds were operating transfers. Transfers to the General Fund from the Sales Tax Landfill Fund were unrestricted dumping fees. Transfers from the Sales Tax Landfill Fund to the Solid Waste Collection Fund were surplus sales taxes, as provided by the tax proposition.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 6 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2014, is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 760,833	\$ 202,055	\$ -	\$ 962,888
Construction in Progress	1,119,052	-	(1,119,052)	-
Total capital assets not being depreciated	1,879,885	202,055	(1,119,052)	962,888
Capital assets being depreciated:				
Land improvements	1,793,309	-	-	1,793,309
Buildings and improvements	9,278,634	6,771	-	9,285,405
Other improvements	678,680	1,159,405	-	1,838,085
Fire, sewer and water system improvements	1,885,608	-	-	1,885,608
Public works equipment	6,497,122	537,771	(263,283)	6,771,610
Vehicles	2,279,003	135,395	(282,440)	2,131,958
Office furniture and equipment	699,030	-	-	699,030
Library:				
Building and improvements	227,302	-	-	227,302
Vehicle	192,815	-	(87,285)	105,530
Office furniture and equipment	128,378	-	-	128,378
Books and videos	705,171	69,432	(34,253)	740,350
Total capital assets being depreciated	24,365,052	1,908,774	(667,261)	25,606,565
Less accumulated depreciation for:				
Land improvements	595,351	59,349	-	654,700
Buildings and improvements	4,032,116	231,400	-	4,263,516
Other improvements	6,992	62,184	-	69,176
Fire, sewer and water system improvements	1,119,446	102,633	-	1,222,079
Public works equipment	4,540,029	336,814	(263,283)	4,613,560
Vehicles	2,054,332	99,042	(282,440)	1,870,934
Office furniture and equipment	658,654	12,314	-	670,968
Library:				
Building and improvements	186,532	4,227	-	190,759
Vehicle	140,050	10,553	(87,285)	63,318
Office furniture and equipment	127,123	1,255	-	128,378
Books and videos	576,465	51,963	(34,253)	594,175
Total accumulated depreciation	14,037,090	971,734	(667,261)	14,341,563
Total capital assets being depreciated, net	10,327,962	937,040	-	11,265,002
Total capital assets, net	\$ 12,207,847	\$ 1,139,095	\$ (1,119,052)	\$ 12,227,890

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year was charged to the following governmental functions:

General government	\$ 45,120
Public safety	278,411
Public works	443,104
Health and welfare	13,108
Culture and recreation	68,987
Economic development and assistance	2,756
Transportation	120,248
	<u>\$971,734</u>

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended December 31, 2014:

	Certificates of Indebtedness Series 2010	Public Building Revenue Bonds Series 2011	Compensated Absences	Landfill Closure/Post Closure Care	Total
Balance, beginning of year ¹	\$ 354,000	\$ 253,000	\$ 219,368	\$ 5,439,824	\$ 6,266,192
Additions	-	-	248,672	625,453	874,125
Deductions	(174,000)	(18,000)	(190,759)	-	(382,759)
Adjustments	-	-	(54,444)	-	(54,444)
Balance, end of year	<u>\$ 180,000</u>	<u>\$ 235,000</u>	<u>\$ 222,837</u>	<u>\$ 6,065,277</u>	<u>\$ 6,703,114</u>

As discussed in Note 1, upon separation from service, employees are paid for accumulated leave at their then current rate of pay. Adjustments to the compensated absence liability include adjusting the ending liability to ending pay rates and to limitations on the hours for which an employee will be paid.

Outstanding certificates of indebtedness consist of the following individual issues:

Certificates of Indebtedness - \$850,000 issued August 9, 2010, for the purchase of a new landfill compactor, principal due in annual installments of \$162,000 to \$180,000 through August 1, 2015, plus interest at 2% to 3.75% per annum, payments made from Parish of Union, Certificates of Indebtedness, Series 2010, Sinking Fund.

\$ 180,000

Public Building Revenue Bonds - \$325,000 dated May 3, 2011, for the purchase of a building for the Union Parish Assessor, principal due in annual installments of \$12,000 to \$25,000 through August 1, 2025, plus interest at 1.25% to 4.4% per annum, payments made from Assessor Building Fund.

Total

235,000
\$ 415,000

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 7 - LONG-TERM OBLIGATIONS (CONTINUED)

The annual requirements to amortize all certificates of indebtedness outstanding at December 31, 2014, are as follows:

	Principal	Interest	Total
2015	\$ 198,000	\$ 15,104	\$ 213,104
2016	19,000	8,129	27,129
2017	20,000	7,616	27,616
2018	20,000	7,016	27,016
2019	20,000	6,376	26,376
2020-2024	113,000	19,846	132,846
2025	25,000	1,100	26,100
	<u>\$ 415,000</u>	<u>\$ 65,187</u>	<u>\$ 480,187</u>

NOTE 8 - RETIREMENT SYSTEM

Substantially all employees of the Union Parish Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the police jury are members of Plan A. All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 percent of final-average salary for each salary for each year of service credited after the revision date.

Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above, and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (504) 928-1361.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 8 - RETIREMENT SYSTEM (CONTINUED)

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Union Parish Police Jury is required to contribute at an actuarially determined rate. The current rate is 16.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Union Parish Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Union Parish Police Jury's contributions to the System under Plan A for the years ended December 31, 2014, 2013, and 2012, were \$460,802, \$481,638, and \$437,422, respectively, which equaled the required contributions for each year.

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan description

The Union Parish Police Jury contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible employees until such employees reach the age of 65 through the Police Jury's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the Union Parish Police Jury. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the Year ending December 31, 2009, the Union Parish Police Jury implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45). This statement has been implemented prospectively. Using this method, the beginning other post employment benefit (OPEB) liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Funding policy

The Union Parish Police Jury contributes 100% of the cost of medical premiums of eligible retirees until they reach the age of 65. For the year ended December 31, 2014, the Police Jury contributed \$49,666.

Annual OPEB cost and net OPEB obligation

The Police Jury's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The Police Jury has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Police Jury's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Police Jury's net OPEB obligation to the Retiree Health Plan:

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Annual OPEB cost and net OPEB obligation (continued)

Annual required contribution	\$ 183,585
Interest on prior year net OPEB obligation	25,659
Adjustment to annual required contribution	<u>(25,433)</u>
Annual OPEB cost (expense)	183,811
Contributions made	<u>49,666</u>
Increase in net OPEB obligation	233,477
Net OPEB obligation, beginning of year	<u>1,012,903</u>
Net OPEB obligation, end of year	<u>\$ 1,246,380</u>

The Police Jury's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2014 was \$183,811, 27%, and \$1,246,380, respectively.

Funded status and funding progress

As of December 31, 2014, the actuarial accrued liability for benefits was \$1,408,522 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,543,571 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 39.75%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. The year ended December 31, 2014 was the first year the police jury obtained an actuarial valuation of the liability. Therefore, only one year of data is presented. The police jury will now update the calculation every three years.

Methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 55, or at the first subsequent year in which the member would qualify for benefits.

Mortality - Life expectancies were based on RP-2000 Combined Table M/F Projection AA 2015.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 9 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Methods and assumptions (Continued)

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - An initial rate of 8.00% for 2013 grading down to a level rate of 5.50% in 2018 and after.

Health insurance premiums - 2013 age adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation rate - An inflation rate of 3.00% was used.

Payroll growth rate - The expected long-term payroll growth rate was assumed to be 3.90%.

Based on the historical and expected returns of the Police Jury's short-term investment portfolio, a discount rate of 3 percent (0.00% real rate of return plus 3.00% inflation) was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized for thirty years as a level percentage of projected payroll on an open basis.

NOTE 10 – DEFICIT FUND BALANCES

At December 31, 2014, the Homeland Security Fund and the Detention Center Commission Fund had deficit fund balances of \$4,955 and \$1,022,825, respectively. Management expects the deficit in the Homeland Security Fund to be cleared during 2015. The Detention Center Commission is considering all available options for eliminating the deficit caused by rising costs and declining revenues.

NOTE 11 - RISK MANAGEMENT

The police jury is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; liability; and injuries to employees or others. To handle such risk of loss, the police jury maintains commercial insurance policies covering automobile liability and medical payments, workers compensation, general liability, and surety bond coverage on the secretary/treasurer and other employees handling money. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts.

NOTE 12 - LITIGATION

At December 31, 2014, the Police Jury was involved in one lawsuit. This file was closed in July 2015 after judgment was issued and no appeal was filed. Since year end, another suit has been filed against the police jury. Legal counsel is unable to estimate potential liability, if any.

At December 31, 2014, the Detention Center Commission was aware of a potential lawsuit. A suit was filed subsequent to year end. The Detention Center Commission believes it has no fault in the matter. Legal counsel is unable to estimate potential liability, if any.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 13 - WORKFORCE INVESTMENT ACT PROGRAM

The Union Parish Police Jury participates in the Workforce Investment Act (WIA) Program funded through the Louisiana Department of Labor by the United States Department of Labor. The jury is a member of the 82nd Planning District which is comprised of Union Parish, Morehouse Parish, and West Carroll Parish. The members of the 82nd Planning District and the 82nd Planning District Service Delivery Area (SDA) Private Industry Council entered into an agreement. This multi-jurisdictional agreement designated the President of the West Carroll Parish Police Jury as the Chief Elected Official of WIB (Workforce Investment Board) #82 and Union Parish Police Jury as the WIA grant recipient. The LWIA is comprised of three elements:

1. WIB #82 consists of 30 members, 16 of which represent a cross-section of private sector business owners or chief officers of the businesses. The WIB is responsible for providing guidance for the program development and for monitoring the operations of the program operator.
2. Designated Chief Elected Official – a police jury president elected by his peers from the LWIA. His responsibilities are the same as the WIB.
3. Program Operator – the organization selected by the WIB to administer the program. All actions by the program operator must be approved by the WIB and the CEO.

North Delta Regional Planning was appointed as fiscal agent beginning July 1, 2013. In October, 2014, WIB #83 was appointed as fiscal agent. Northeast Workforce Centers, Inc. has been the appointed Program Operator since October 1, 2011. All funds are sent to the WIB #82 with fiscal documentation maintained by the Fiscal Agent. The program operation information was designated to Northeast Workforce Centers, Inc. (October 1, 2011 through present).

NOTE 14 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the police jury to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although final closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the police jury reports a portion of those closure and post-closure care costs in long-term debt on the Statement of Net Assets, based on cumulative landfill capacity used as of December 31 of each year.

The \$6,065,277 reported as landfill closure and post-closure care liability at December 31, 2014, represents fifty-six percent of the estimated capacity of the currently active cells. For the year ended December 31, 2014, the Police Jury recognized expenses of \$625,453. The police jury will recognize the remaining estimated cost of closure and post-closure care of \$4,758,760 as the remaining capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2014. The police jury expects to close the landfill in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 14 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS (CONTINUED)

In its landfill permit, the police jury agreed to restrict \$1 for each ton of Type II waste received into the landfill for post-closure care costs. At December 31, 2014, there is approximately 1,337,899 tons of Type II waste in the landfill. As shown on the statement of net position, the police jury has restricted \$5,000,081 at December 31, 2014, for landfill post-closure care costs. The estimated closure and post-closure care costs were updated in 2015. The new estimate has been used in these financial statements. An estimate is required to provide the Louisiana Department of Environmental Quality with a financial assurance plan. The purpose of the plan is to demonstrate that the police jury will have the financial resources to properly close the landfill at its completion and also establish and maintain ground water monitoring activities for a period of thirty years. The closure and post-closure care cost estimates will be adjusted annually based on the United States Department of Commerce's Producer Price Index. Over the years since the jury's first estimate in 1995, the methodology for depositing waste into the landfill has changed to allow for more deposits than originally planned on the same area of ground. During 2014, the engineer corrected an error in the estimated capacity of the landfill which affected management's estimate of the liability for closure and post-closure costs. Accordingly, a prior period adjustment reduced the beginning liability by \$1,467,196. This adjustment affects only the government-wide financial statements.

NOTE 15 - EMERGENCY 911 WIRELESS SERVICE

Louisiana Revised Statutes (LRS) 33:9109-9131 provides for the accessibility of emergency 911 services for wireless telephone users. The statutes provide that any emergency 911 communications district may levy a service charge, to be collected by the wireless service provider, to finance the costs of implementing such service. LRS 33:9101(D) further provide that parishes, such as Union Parish, with a population between 20,000 and 30,000, and wireless service providers in the district shall complete all necessary enhancements for wireless 911 service within eighteen months of the initial levy of the service charge. Union Parish Communications District started collecting the service charge in March 2000. Wireless service providers were notified by letter dated May 29, 2001, that all action necessary to implement the enhancements should be completed by September 1, 2001. The district was notified by Alltel on February 8, 2002, that cellular site data had been collected and submitted to the third party provider. At December 31, 2010, all work necessary to implement wireless service had been completed.

NOTE 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 4, 2015, the date on which the financial statements were available to be issued.

See discussion at Note 12.

NOTE 17 – ADOPTION OF NEW ACCOUNTING STANDARDS

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, is effective for fiscal year ending December 31, 2015. Management has not been able to evaluate the impact this statement will have on the Police Jury's financial statements.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

NOTE 18 – PRIOR PERIOD ADJUSTMENT

An adjustment of \$1,467,196 was made to reduce the beginning liability for landfill closure and post-closure costs. This adjustment increased net position for the governmental activities. The adjustment was necessary when the police jury's engineer corrected an error in the original estimate of landfill capacity.

Required Supplemental Information (Part II)

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 592,500	\$ 592,500	\$ 678,193	\$ 85,693
Other taxes, penalties, and interest	21,000	21,000	24,678	3,678
Licenses and permits	80,700	80,700	118,850	38,150
Intergovernmental funds:				
Federal funds	9,500	9,500	365,940	356,440
Severance taxes	450,000	450,000	947,263	497,263
State revenue sharing	41,633	41,633	41,599	(34)
Fire insurance rebate	75,000	94,400	94,569	169
Other state funds	45,000	445,000	99,790	(345,210)
Fees, charges, and commissions for services	18,182	18,182	30,160	11,978
Use of money and property	39,500	39,500	17,088	(22,412)
Other revenues	2,500	117,500	7,292	(110,208)
Total revenues	<u>1,375,515</u>	<u>1,909,915</u>	<u>2,425,422</u>	<u>515,507</u>
Expenditures:				
Current:				
General government:				
Legislative	129,795	129,795	125,034	(4,761)
Judicial	253,780	253,780	231,263	(22,517)
Elections	22,645	53,645	25,503	(28,142)
Finance and administrative	201,425	361,425	302,753	(58,672)
Other general government	580,968	1,248,968	1,175,029	(73,939)
Public safety	246,085	400,485	662,061	261,576
Health and welfare	241,952	271,952	255,696	(16,256)
Culture and recreation	1,800	1,800	1,800	-
Economic development and assistance	33,150	50,150	51,837	1,687
Capital outlay	5,000	5,000	6,771	1,771
Total expenditures	<u>1,716,600</u>	<u>2,777,000</u>	<u>2,837,747</u>	<u>60,747</u>
Excess (deficiency) of revenues over expenditures	<u>(341,085)</u>	<u>(867,085)</u>	<u>(412,325)</u>	<u>454,760</u>
Other sources (uses):				
Operating transfers in	400,000	1,000,000	1,000,000	-
Proceeds from insurance	-	-	153,253	153,253
Operating transfers out	(405,000)	(815,000)	(815,000)	-
Total other sources (uses)	<u>(5,000)</u>	<u>185,000</u>	<u>338,253</u>	<u>153,253</u>
Net change in fund balances	(346,085)	(682,085)	(74,072)	608,013
Fund balances at beginning of year	456,389	1,334,926	1,334,926	-
Fund balances at end of year	\$ 110,304	\$ 652,841	\$ 1,260,854	\$ 608,013

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - ROAD MAINTENANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 824,497	\$ 824,497	\$ 941,762	\$ 117,265
Intergovernmental funds:				
Federal funds	15,000	15,000	5,103	(9,897)
State revenue sharing	55,000	55,000	56,655	1,655
Parish transportation	300,000	300,000	300,505	505
Other state funds	54,000	54,000	98,536	44,536
Local	-	-	-	-
Fees, charges, and commissions for services	300,000	100,000	126,672	26,672
Use of money and property	1,800	1,800	39	(1,761)
Other revenues	500	500	5,562	5,062
Total revenues	<u>1,550,797</u>	<u>1,350,797</u>	<u>1,534,834</u>	<u>184,037</u>
Expenditures:				
Current:				
Public works	1,533,019	1,635,019	1,604,636	(30,383)
Capital outlay	<u>180,000</u>	<u>230,000</u>	<u>216,294</u>	<u>(13,706)</u>
Total expenditures	<u>1,713,019</u>	<u>1,865,019</u>	<u>1,820,930</u>	<u>(44,089)</u>
Net change in fund balances	(162,222)	(514,222)	(286,096)	228,126
Fund balances at beginning of year	<u>1,041,682</u>	<u>1,525,382</u>	<u>1,525,382</u>	<u>-</u>
Fund balances at end of year	<u>\$ 879,460</u>	<u>\$ 1,011,160</u>	<u>\$ 1,239,286</u>	<u>\$ 228,126</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - ROAD CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Ad valorem	\$ 687,750	\$ 687,750	\$ 785,563	\$ 97,813
Intergovernmental funds:				
Federal funds	6,500	6,500	4,256	(2,244)
State revenue sharing	60,000	60,000	56,655	(3,345)
Use of money and property	500	500	74	(426)
Total revenues	<u>754,750</u>	<u>754,750</u>	<u>846,548</u>	<u>91,798</u>
Expenditures:				
Current:				
Public works	991,200	1,890,700	1,266,072	(624,628)
Capital outlay	50,000	-	-	-
Total expenditures	<u>1,041,200</u>	<u>1,890,700</u>	<u>1,266,072</u>	<u>(624,628)</u>
Net change in fund balances	(286,450)	(1,135,950)	(419,524)	716,426
Fund balances at beginning of year	<u>747,186</u>	<u>2,542,354</u>	<u>2,542,354</u>	-
Fund balances at end of year	<u>\$ 460,736</u>	<u>\$ 1,406,404</u>	<u>\$ 2,122,830</u>	<u>\$ 716,426</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - SALES TAX LANDFILL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Taxes:				
Sales and use	\$ 2,000,000	\$ 2,000,000	\$ 2,448,065	\$ 448,065
Fees, charges, and commissions for services	1,225,025	1,225,025	1,184,111	(40,914)
Use of money and property	7,500	7,500	1,211	(6,289)
Total revenues	<u>3,232,525</u>	<u>3,332,525</u>	<u>3,746,094</u>	<u>413,569</u>
Expenditures:				
Current:				
Public works	1,530,624	1,797,976	1,007,418	(790,558)
Debt service	225,000	225,000	186,666	(38,334)
Capital outlay	285,000	285,000	66,700	(218,300)
Total expenditures	<u>2,040,624</u>	<u>2,307,976</u>	<u>1,260,784</u>	<u>(1,047,192)</u>
Excess (deficiency) of revenues over expenditures	<u>1,191,901</u>	<u>1,024,549</u>	<u>2,485,310</u>	<u>1,460,761</u>
Other sources (uses):				
Operating transfers out	<u>(1,405,000)</u>	<u>(2,150,000)</u>	<u>(2,150,000)</u>	<u>-</u>
Net change in fund balances	<u>(213,099)</u>	<u>(1,125,451)</u>	<u>335,310</u>	<u>1,460,761</u>
Fund balances at beginning of year	<u>5,803,092</u>	<u>8,733,188</u>	<u>8,733,188</u>	<u>-</u>
Fund balances at end of year	<u>\$ 5,589,993</u>	<u>\$ 7,607,737</u>	<u>\$ 9,068,498</u>	<u>\$ 1,460,761</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE - DETENTION CENTER SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues:				
Fees, charges, and commissions for services	\$ 2,133,440	\$ 1,685,000	\$ 1,766,972	\$ 81,972
Use of money and property	50	50	10	(40)
Other revenues	25,100	25,100	170,722	145,622
Total revenues	<u>2,158,590</u>	<u>1,710,150</u>	<u>1,937,704</u>	<u>227,554</u>
Expenditures:				
Current:				
Public safety	2,549,274	2,969,274	2,899,786	(69,488)
Capital outlay	10,000	10,000	-	(10,000)
Total expenditures	<u>2,559,274</u>	<u>2,979,274</u>	<u>2,899,786</u>	<u>(79,488)</u>
Excess (deficiency) of revenues over expenditures	<u>(400,684)</u>	<u>(1,269,124)</u>	<u>(962,082)</u>	<u>307,042</u>
Other sources (uses):				
Operating transfers in	<u>400,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Net change in fund balances	(684)	(469,124)	(162,082)	307,042
Fund balances at beginning of year	<u>1,284</u>	<u>(860,743)</u>	<u>(860,743)</u>	<u>-</u>
Fund balances at end of year	<u>\$ 600</u>	<u>\$ (1,329,867)</u>	<u>\$ (1,022,825)</u>	<u>\$ 307,042</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NOTES TO BUDGETARY COMPARISON SCHEDULES FOR MAJOR FUNDS FOR THE YEAR
ENDED DECEMBER 31, 2014**

Preliminary budgets for the ensuing year are prepared by the secretary/treasurer during October of each year. During November, the finance committee reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During a December meeting, the police jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the police jury as a whole. The budgets are then adopted during a December meeting, and a notice of the adoption is then published in the official journal.

During the year, the police jury receives monthly budgetary comparison statements which are used as a management tool to control operations of the parish. The secretary/treasurer presents necessary budget amendments to the police jury during the year when, in his judgment, actual operations are differing materially from those anticipated in the original budget. During a meeting, the police jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in police jury minutes published in the official journal.

The police jury exercises budgetary control at the functional level. Within functions the secretary/treasurer has the discretion to make changes as he deems necessary for proper control. Unexpended appropriations lapse at year end and must be re-appropriated in the next year's budget to be expended. The police jury does not use encumbrances in its accounting system.

For the year ended December 31, 2014, the police jury adopted modified accrual based budgets for the General Fund and all special revenue funds except the Criminal Court Special Revenue Fund, which is exempt from the requirements of the Local Government Budget Act, and the Workforce Investment Act Special Revenue Fund, which is accounted for on a June 30th fiscal year basis. The budgetary comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**EMPLOYEE HEALTH CARE PLAN
SCHEDULE OF FUNDING PROGRESS
AS OF DECEMBER 31, 2014**

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
January 1, 2013	\$ -	\$ 1,408,522	\$ 1,408,522	0%	\$ 3,543,571	39.75%

Other Supplemental Schedules

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2014**

ASSETS	SPECIAL REVENUE	CAPITAL PROJECTS AIRPORT GRANT	TOTAL
Cash and cash equivalents	\$ 1,742,721	\$ 36,205	\$ 1,778,926
Investments	637,555	-	637,555
Receivables	870,301	-	870,301
Total assets	<u>\$ 3,250,577</u>	<u>\$ 36,205</u>	<u>\$ 3,286,782</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY			
Liabilities:			
Accounts payable	64,618	-	64,618
Salaries and related payables	18,801	-	18,801
Due to other funds	12,500	-	12,500
Total liabilities	<u>95,919</u>	<u>-</u>	<u>95,919</u>
Deferred inflows - grant revenues pending	<u>14,194</u>	<u>-</u>	<u>14,194</u>
Fund equity - fund balances:			
Restricted	3,145,419	36,205	3,181,624
Assigned	-	-	-
Unassigned	(4,955)	-	(4,955)
Total fund equity - fund balances	<u>3,140,464</u>	<u>36,205</u>	<u>3,176,669</u>
Total liabilities, deferred inflows, and fund equity	<u>\$ 3,250,577</u>	<u>\$ 36,205</u>	<u>\$ 3,286,782</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	SPECIAL REVENUE	TAX ASSESSOR BUILDING DEBT SERVICE	CAPITAL PROJECTS AIRPORT GRANT	TOTAL
Revenues:				
Taxes:				
Ad valorem	\$ 780,553	\$ -	\$ -	\$ 780,553
Intergovernmental funds:				
Federal funds	520,678	-	-	520,678
State revenue sharing	56,502	-	-	56,502
Other state funds	30,064	-	57,230	87,294
Fees, charges, and commissions for services	304,591	-	-	304,591
Fines and forfeitures	127,472	-	-	127,472
Use of money and property	167,028	26,534	-	193,562
Other revenues	69,438	-	-	69,438
Donations	1,611	-	-	1,611
Total revenues	<u>2,057,937</u>	<u>26,534</u>	<u>57,230</u>	<u>2,141,701</u>
Expenditures:				
Current:				
General government:				
Judicial	136,933	-	-	136,933
Finance and administrative	9,810	-	-	9,810
Public safety	538,058	-	-	538,058
Public works	751,547	-	-	751,547
Health and welfare	750,044	-	-	750,044
Culture and recreation	378,318	-	-	378,318
Transportation	26,219	-	-	26,219
Debt service	-	26,534	-	26,534
Capital outlay	661,658	-	41,041	702,699
Total expenditures	<u>3,252,587</u>	<u>26,534</u>	<u>41,041</u>	<u>3,320,162</u>
Excess (deficiency) of revenues over expenditures	<u>(1,194,650)</u>	<u>-</u>	<u>16,189</u>	<u>(1,178,461)</u>
Other sources (uses):				
Operating transfers in	<u>1,165,000</u>	<u>-</u>	<u>-</u>	<u>1,165,000</u>
Net change in fund balances	(29,650)	-	16,189	(13,461)
Fund balances at beginning of year	<u>3,170,114</u>	<u>-</u>	<u>20,016</u>	<u>3,190,130</u>
Fund balances at end of year	<u>\$ 3,140,464</u>	<u>\$ -</u>	<u>\$ 36,205</u>	<u>\$ 3,176,669</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Nonmajor Special Revenue Funds

Solid Waste Collection Fund

The Solid Waste Collection Fund was established to monitor operations and costs associated with the collection of solid waste in the parish separate from those operations and costs associated with the parish landfill discussed above. Financing is provided by transfers from the Sales Tax Fund and interest earnings.

Library Fund

The Library Fund is primarily financed by a 3.40 mill parishwide ad valorem tax and is used to furnish books, periodicals, and other related materials for the citizens of Union Parish. Additional financing is provided by a special state grant.

Health Unit Fund

The Health Unit Fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific parishwide ad valorem tax, interest earnings, vending machine commissions, and state revenue sharing.

HUD Section 8 Housing Fund

The HUD Section 8 Housing Fund accounts for the operations of the lower income housing assistance program, which provides aid to very low income families in obtaining decent, safe, and sanitary rental housing. Financing is provided by a federal grant.

Unemployment Fund

The employment fund accounts for the jury's self-insurance program. Funds are provided by transfers from other funds.

Airport Fund

The Airport Fund accounts for the general operating expenditures of the Airport. Financing is provided by transfers from the General Fund and the rental of hangers.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2014

ASSETS	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Cash and cash equivalents	\$ 103,660	\$ 73,176	\$ 751,963	\$ 782,677	\$ 28,876	\$ 774	\$ 1,595	\$ 1,742,721
Investments	70,435	-	120,363	446,757	-	-	-	637,555
Receivables	40,047	-	550,920	279,334	-	-	-	870,301
Total assets	<u>\$ 214,142</u>	<u>\$ 73,176</u>	<u>\$ 1,423,246</u>	<u>\$ 1,508,768</u>	<u>\$ 28,876</u>	<u>\$ 774</u>	<u>\$ 1,595</u>	<u>\$ 3,250,577</u>
LIABILITIES AND FUND EQUITY								
Liabilities:								
Accounts payable	\$ 12,191	\$ 11,968	\$ 29,311	\$ 11,148	\$ -	\$ -	\$ -	\$ 64,618
Salaries and related payables	5,792	10,980	-	2,029	-	-	-	18,801
Due to other funds	12,500	-	-	-	-	-	-	12,500
Total liabilities	<u>30,483</u>	<u>22,948</u>	<u>29,311</u>	<u>13,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,919</u>
Deferred inflows - grant revenues pending	-	-	-	-	14,194	-	-	14,194
Fund equity - fund balances:								
Restricted	188,614	50,228	1,393,935	1,495,591	14,682	774	1,595	3,145,419
Unassigned	(4,955)	-	-	-	-	-	-	(4,955)
Total fund equity - fund balances	<u>183,659</u>	<u>50,228</u>	<u>1,393,935</u>	<u>1,495,591</u>	<u>14,682</u>	<u>774</u>	<u>1,595</u>	<u>3,140,464</u>
Total liabilities and fund equity	<u>\$ 214,142</u>	<u>\$ 73,176</u>	<u>\$ 1,423,246</u>	<u>\$ 1,508,768</u>	<u>\$ 28,876</u>	<u>\$ 774</u>	<u>\$ 1,595</u>	<u>\$ 3,250,577</u>

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Revenues:								
Taxes:								
Ad valorem	\$ -	\$ -	\$ 520,221	\$ 260,332	\$ -	\$ -	\$ -	\$ 780,553
Intergovernmental funds:								
Federal funds	28,988	-	2,821	1,410	487,459	-	-	520,678
State revenue sharing	-	-	33,840	22,662	-	-	-	56,502
Other state funds	-	-	22,714	-	-	-	7,350	30,064
Fees, charges, and commissions for services	298,751	-	5,840	-	-	-	-	304,591
Fines and forfeitures	123,592	-	3,880	-	-	-	-	127,472
Use of money and property	166,884	-	31	113	-	-	-	167,028
Other revenues	29,211	-	1,838	9,207	-	25,151	4,031	69,438
Donations	-	-	1,611	-	-	-	-	1,611
Total revenues	<u>647,426</u>	<u>-</u>	<u>592,796</u>	<u>293,724</u>	<u>487,459</u>	<u>25,151</u>	<u>11,381</u>	<u>2,057,937</u>
Expenditures:								
Current:								
General government:								
Judicial	136,933	-	-	-	-	-	-	136,933
Finance and administrative	-	-	-	-	-	9,810	-	9,810
Public safety	538,058	-	-	-	-	-	-	538,058
Public works	-	751,547	-	-	-	-	-	751,547
Health and welfare	-	-	-	238,890	511,154	-	-	750,044
Culture and recreation	-	-	378,318	-	-	-	-	378,318
Transportation	-	-	-	-	-	-	26,219	26,219
Capital outlay	12,500	377,671	69,432	202,055	-	-	-	661,658
Total expenditures	<u>687,491</u>	<u>1,129,218</u>	<u>447,750</u>	<u>440,945</u>	<u>511,154</u>	<u>9,810</u>	<u>26,219</u>	<u>3,252,587</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	JUDICIAL AND PUBLIC SAFETY FUNDS	SOLID WASTE COLLEC- TION	LIBRARY	HEALTH UNIT	HUD SECTION 8 HOUSING	UNEMPLOY- MENT	AIRPORT	TOTAL
Excess (deficiency) of revenues over expenditures	<u>(40,065)</u>	<u>(1,129,218)</u>	<u>145,046</u>	<u>(147,221)</u>	<u>(23,695)</u>	<u>15,341</u>	<u>(14,838)</u>	<u>(1,194,650)</u>
Other sources (uses):								
Operating transfers in	<u>-</u>	<u>1,150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>1,165,000</u>
Net change in fund balances	(40,065)	20,782	145,046	(147,221)	(23,695)	15,341	162	(29,650)
Fund balances at beginning of year	<u>223,724</u>	<u>29,446</u>	<u>1,248,889</u>	<u>1,642,812</u>	<u>38,377</u>	<u>(14,567)</u>	<u>1,433</u>	<u>3,170,114</u>
Fund balances at end of year	<u><u>\$ 183,659</u></u>	<u><u>\$ 50,228</u></u>	<u><u>\$ 1,393,935</u></u>	<u><u>\$ 1,495,591</u></u>	<u><u>\$ 14,682</u></u>	<u><u>\$ 774</u></u>	<u><u>\$ 1,595</u></u>	<u><u>\$ 3,140,464</u></u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULES
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Nonmajor Special Revenue -
Judicial and Public Safety Funds

Judicial Funds

Criminal Court Fund

The Third Judicial District Criminal Court Fund (Union Parish) is established under Section 571.11 of Title 15 of the Louisiana Revised Statutes of 1950, which provides that fines and forfeitures imposed by the district courts and district attorney conviction fees in criminal cases be transferred to the parish treasurer and deposited into a special account to be used for the expenses of the criminal court of the parish. Expenditures are made from the fund on motion of the district attorney and approval of the district judge. The statute also requires that one-half of the funds (fund balance) remaining in the Criminal Court Fund at December 31 of each year be transferred to the parish General Fund.

Off-duty Officer Witness Fee Fund

The Off-Duty Officer Witness Fee Fund pays law enforcement officers who are required to appear in court as witnesses on their days off. Financing is provided by court costs assessed on cases tried in the district court.

Parish Litter Court

The Litter Court Fund accounts for operations of the parish litter court. Financing is provided by fines and court costs assessed against individuals found guilty by the court.

Public Safety Funds

Communications District Fund

The Communications District Fund accounts for the establishment, maintenance, and operation of the 911 emergency telephone system for Union Parish. Financing is provided by a 5 percent service charge on local telephone service within the parish.

Inmate Welfare Fund

The Inmate Welfare Fund accounts for commissary sales and purchases at the Union Parish Detention Center. Profits from commissary operations are used for the benefit of inmates and are used to provide items which are not necessarily required by law for the commission to provide or are required by law to be made available for inmates but for which an individual inmate has no money to purchase.

Homeland Security Fund

The Homeland Security Fund accounts for grants from the United States Department of Homeland Security, passed through the Louisiana Department of Public Safety and Corrections and the Louisiana Department of Military Affairs. Grants are used to improve emergency preparedness and reduce the threat of terrorist activity in the parish.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**NONMAJOR JUDICIAL AND PUBLIC SAFETY SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
AS OF DECEMBER 31, 2014**

	JUDICIAL			PUBLIC SAFETY			
	OFF-DUTY						
ASSETS	CRIMINAL COURT	OFFICER WITNESS FEE	PARISH LITTER COURT	COMMUNI- CATIONS DISTRICT	INMATE WELFARE	HOMELAND SECURITY	TOTAL
Cash and cash equivalents	\$ 5,047	\$ 230	\$ 348	\$ 10,540	\$ 79,950	\$ 7,545	\$ 103,660
Investments	-	13	-	70,422	-	-	70,435
Receivables	11,377	376	-	28,294	-	-	40,047
Total assets	<u>\$ 16,424</u>	<u>\$ 619</u>	<u>\$ 348</u>	<u>\$ 109,256</u>	<u>\$ 79,950</u>	<u>\$ 7,545</u>	<u>\$ 214,142</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Accounts payable	\$ 11,591	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ 12,191
Salaries and related payables	-	-	-	5,792	-	-	5,792
Due to other funds	-	-	-	-	-	12,500	12,500
Total liabilities	<u>11,591</u>	<u>600</u>	<u>-</u>	<u>5,792</u>	<u>-</u>	<u>12,500</u>	<u>30,483</u>
Fund equity - fund balances:							
Restricted	4,833	19	348	103,464	79,950	-	188,614
Unassigned	-	-	-	-	-	(4,955)	(4,955)
Total fund equity - fund balances	<u>4,833</u>	<u>19</u>	<u>348</u>	<u>103,464</u>	<u>79,950</u>	<u>(4,955)</u>	<u>183,659</u>
Total liabilities and fund equity	<u>\$ 16,424</u>	<u>\$ 619</u>	<u>\$ 348</u>	<u>\$ 109,256</u>	<u>\$ 79,950</u>	<u>\$ 7,545</u>	<u>\$ 214,142</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

NONMAJOR JUDICIAL AND PUBLIC SAFETY SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2014

	JUDICIAL			PUBLIC SAFETY			
	CRIMINAL COURT	OFF-DUTY OFFICER WITNESS FEE	PARISH LITTER COURT	COMMUNI- CATIONS DISTRICT	INMATE WELFARE	HOMELAND SECURITY	TOTAL
Revenues:							
Intergovernmental funds:							
Federal funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,988	\$ 28,988
Fees, charges, and commissions for services	-	-	-	239,070	59,681	-	298,751
Fines and forfeitures	117,251	4,966	1,375	-	-	-	123,592
Use of money and property	-	-	-	33	166,851	-	166,884
Other revenues	11,467	-	-	16,867	877	-	29,211
Total revenues	<u>128,718</u>	<u>4,966</u>	<u>1,375</u>	<u>255,970</u>	<u>227,409</u>	<u>28,988</u>	<u>647,426</u>
Expenditures:							
Current:							
General government:							
Judicial	129,856	5,359	1,718	-	-	-	136,933
Public safety	-	-	-	297,528	213,109	27,421	538,058
Capital outlay	-	-	-	-	-	12,500	12,500
Total expenditures	<u>129,856</u>	<u>5,359</u>	<u>1,718</u>	<u>297,528</u>	<u>213,109</u>	<u>39,921</u>	<u>687,491</u>
Net change in fund balances	(1,138)	(393)	(343)	(41,558)	14,300	(10,933)	(40,065)
Fund balances at beginning of year	5,971	412	691	145,022	65,650	5,978	223,724
Fund balances at end of year	<u>\$ 4,833</u>	<u>\$ 19</u>	<u>\$ 348</u>	<u>\$103,464</u>	<u>\$ 79,950</u>	<u>\$ (4,955)</u>	<u>\$ 183,659</u>

UNION PARISH POLICE JURY FARMERVILLE,
LOUISIANA

**SCHEDULE OF COMPENSATION PAID POLICE JURORS FOR
THE YEAR ENDED DECEMBER 31, 2014**

Compensation Paid Police Jurors

The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the police jurors is included in the legislative expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:1233, the police jury has elected the monthly payment method of compensation. Under this method, jurors receive \$600 per month. The president receives an additional \$100 per month for expenses incurred in fulfilling the responsibilities of his office.

Don Acree	\$ 7,200
Glenn W. Hutto	7,200
Ceismond Nyegaard	7,200
Lanny Parker	7,200
Steve Pylant	7,200
Charles Sawyer	7,200
A. J. Smith, President	8,400
Stanley Smith	7,200
Johnny Watley	7,200
Total	<u>\$ 66,000</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS,
AND OTHER PAYMENTS TO AGENCY HEAD (SECRETARY-TREASURER)
FOR THE YEAR ENDED DECEMBER 31, 2014

Dan Morgan, Secretary-Treasurer

Salary	\$ 55,277
Benefits:	
Health insurance	6,711
Retirement - PERS	8,844
Medicare	802
Workers' Compensation Insurance	1,598
Other items paid on behalf of Secretary-Treasurer:	
Dues	50
Registration fees	872
Other - vehicle provided by police jury	702

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Office of the Governor, Division of Administration -			
Community Development Block Grant	14.228	727016	\$ 335,225
Community Development Block Grant	14.228	729207	28,400
Direct - Section 8 Housing Choice Vouchers	14.871	LA-48V196	487,459
Total United States Department of Housing and Urban Development			<u>851,084</u>
UNITED STATES DEPARTMENT OF INTERIOR			
Direct - payment in lieu of taxes	15.000	N/A	<u>15,905</u>
UNITED STATES DEPARTMENT OF LABOR			
Passed through Louisiana Department of Labor -			
Workforce Investment Act:			
Adult Program	17.258	N/A	299,346
Youth Activities	17.259	N/A	359,244
Incentive Grants - WIA Section 503	17.267	N/A	48,169
Dislocated Workers	17.278	N/A	135,754
Total United States Department of Labor			<u>842,513</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through State of Louisiana - Governor's Office of Homeland Security and Emergency Preparedness -			
Emergency Management Performance Grant - 2013	97.067	EMW-2013-EP-00062-SO1	14,808
State Homeland Security Grant Program - 2013	97.067	EMW-2013-SS-00075-SO1	14,180
FEMA	97.036	PW 345	112,707
Total United States Department of Homeland Security			<u>141,695</u>
Total federal expenditures			<u>\$ 1,851,197</u>

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

NOTES:

General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Union Parish Police Jury as defined in Note 1 to the financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Police Jury's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts in, or used in the preparation of, the basic financial statements.

Other Reports



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the President, Secretary-Treasurer, and Members
Union Parish Police Jury
Farmerville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the primary government financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Union Parish Police Jury's primary government financial statements, and have issued our report thereon dated October 4, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Union Parish Police Jury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union Parish Police Jury's internal control. Accordingly, we do not express an opinion on the effectiveness of Union Parish Police Jury's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs [items 2014-1, 2014-2] that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Union Parish Police Jury's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-1 and 2014-2.

Union Parish Police Jury's Response to Findings

Union Parish Police Jury's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Union Parish Police Jury's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

A handwritten signature in blue ink that reads "Bosch & Statham".

Jonesboro, Louisiana
October 4, 2015



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the President, Secretary-Treasurer, and Members
Union Parish Police Jury
Farmerville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Union Parish Police Jury's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Union Parish Police Jury's major federal programs for the year ended December 31, 2014. Union Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Union Parish Police Jury's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Union Parish Police Jury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Union Parish Police Jury's compliance.

Opinion on Each Major Federal Program

In our opinion, Union Parish Police Jury, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of the Union Parish Police Jury, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Union Parish Police Jury's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Union Parish Police Jury's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, it is issued by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

Bosch & Statham

Jonesboro, Louisiana
October 4, 2015

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014**

A. SUMMARY OF AUDIT RESULTS

1. The police jury issues primary government financial statements. The auditor's report expresses unqualified opinions on the financial statements of the governmental activities and each major fund of the Union Parish Police Jury. The auditor's report expresses a qualified opinion on the aggregate remaining fund information and an adverse opinion discretely presented component units as the component units are omitted from the financial statements. The component units issue separate financial statements.
2. Two material weaknesses are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
3. Two instances of noncompliance material to the financial statements of the Union Parish Police Jury was disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance.
5. The auditor's report on compliance for the major federal award programs for the Union Parish Police Jury expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The following programs were tested as major programs:
 - a. United States Department of Housing and Urban Development - Lower Income Housing Assistance – Housing Choice Vouchers Program (CFDA 14.871)
 - b. United States Department of Labor – Workforce Investment Act (WIA) cluster (CFDA 17.258, 17.259, and 17.260)
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The Union Parish Police Jury was determined not to be a low-risk auditee.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2014-1 Detention Center Commission Deficit

Condition

The Detention Center Fund has been operating at a deficit for several years. At December 31, 2014, the Detention Center Fund had a cash overdraft of \$1,134,940 and a fund deficit of \$1,022,825. The following summarizes activity in the Detention Center Fund for the year ended December 31, 2014:

Fund deficit, beginning of year	\$(860,743)
Revenues	1,937,704
Expenditures	<u>2,899,786</u>
Excess (deficiency) of revenues over expenditures	(962,082)
Transfers from General Fund	<u>800,000</u>
Net change in fund deficit	(162,082)
Fund deficit, end of year	<u><u>\$(1,022,825)</u></u>

The Detention Center Commission's final amended budget for the year ended December 31, 2014, included a budgeted deficit of \$1,329,867.

Criteria

Common prudent business practice requires that the Detention Center Commission operate within its available resources.

The Louisiana Local Budget Act prohibits budgeting a deficit. LRS 39:1305 (E) states, "The total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing fiscal year."

Generally speaking, funds of a special revenue fund cannot be loaned to other funds as those funds are generally restricted to the purpose provided for by approved tax millages or by grant contracts.

Cause

Rising costs and declining revenues are making it difficult for the Commission to meet costs. The police jury's General Fund has limited funds available to support the Detention Center.

Effect

The continued practice of operating at a deficit has resulted in significant transfers from the General Fund and noncompliance with the Louisiana Local Government Budget Act. Also, as the police jury operates a Master Bank Fund whereby almost all of the funds included in its financial statements are part of a pooled bank account, the Detention Center has essentially borrowed from other funds when its cash account on the general ledger has been in an overdraft position.

Recommendation

The Detention Center Commission must take the necessary steps to reduce expenditures to a level that does not exceed its expected income including the amount the police jury will be able to provide.

UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2014

Management's Response

Responsible Official: Lanny Parker, Chairman, Detention Center Commission

A work release program was implemented during 2015. The Commission expects the program to generate revenue to impact the deficit. The Commission will continue to analyze the operations of the Center and take action to reduce the deficit to enable the Commission to adopt a balanced budget.

2014-2 Audit Report Filed After Due Date

Condition

The Police Jury's audited financial statements for the year ended December 31, 2014 will be filed with the Legislative Auditor in October 2015.

Criteria

The Louisiana Audit Law requires the Police Jury to submit its audited financial statements by June 30th following its December 31st year end.

Cause

The Secretary-Treasurer suffered an illness that required him to be absent from work for an extended amount of time immediately following the auditor's fieldwork. The Police Jury and the auditor jointly requested an extension of the deadline to September 30, 2015. The Legislative Auditor granted an extension to July 31, 2015. A second request for extension was denied.

The Secretary-Treasurer is the auditor's primary contact and the only employee qualified to review the audited financial statements. Additionally, there were items that arose during the audit that required the Secretary-Treasurer's attention. As is common when a key employee returns to work after an absence, the Secretary-Treasurer had a backlog of tasks that required his attention when he returned to work. Therefore, as he was attending to the daily operations of the police jury, he was unable to immediately spend a significant amount of time responding to the auditor's requests.

Effect

The Police Jury was not in compliance with the Audit Law and will not receive state funds due to it until the report is submitted.

Recommendation

We recognize that this is an isolated occurrence. We recommend that the Secretary-Treasurer consider what procedures could be changed to prevent a recurrence under similar circumstances.

Management's Response

Responsible Official: Dan Morgan, Secretary-Treasurer, Union Parish Police Jury

We will consider what steps might be taken to prevent a recurrence. With limited resources, the police jury is unable to hire additional personnel that could be trained to assist with financial duties.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

No reportable findings resulted from the major federal award programs audit.

**UNION PARISH POLICE JURY
FARMERVILLE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ref. no.	Description of Finding	Corrective Action Taken Yes, No, Partially	Planned Corrective action/Partial Corrective Action Taken
2013-1	Detention Center Fund Budgeted a Deficit	No	Commission to continue to evaluate ways to reduce expenditures.



To the President, Secretary-Treasurer, and Members
Union Parish Police Jury
Farmerville, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate fund information of the Union Parish Police Jury, for the year ended December 31, 2014, we considered the Police Jury's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during the audit, we noted certain matters involving internal control that is presented for your consideration. This letter does not affect our report dated October 4, 2015, on the financial statements of the Police Jury. We will review the status of these comments during our next audit engagement. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendation. Our comments and management's response are summarized as follows:

ML2014-1 – Payroll Accounting

Comment

The Police Jury's software does not provide traditional accounting reports such as a general ledger and general journal for the payroll bank account. As there is no general ledger to reconcile to, there has been no bank reconciliation for the payroll bank account. Until recent years, the police jury has not had a problem proving what would be the book balance because the payroll bank account is a clearing account. The police jury only deposits the amount necessary to cover net payroll plus the employees' and employer's share of federal and state payroll taxes. However, due to errors made in transferring funds for regular payroll and for voided transactions, the account balance is not easily proved.

Errors have also been made in posting withholding transactions in the Master Bank Fund. The balances in the hospitalization and retirement accounts at December 31, 2014 did not agree to subsequent payments.

Recommendation

We understand that management has complained to the software provider about the issue. We recommend that management give the software developer detailed instructions as to how the accounting system needs to function and to insist that it be corrected. Further, we recommend that management identify the errors made and correct them by December 31, 2015.

We also recommend that management continue to research the errors in the withholding accounts to identify the errors made and correct them by December 31, 2015.

Managements' Response

Responsible Party: Dan Morgan, Secretary-Treasurer, Union Parish Police Jury

We will implement the auditor's recommendation.

Union Parish Police Jury
Farmerville, Louisiana
Management Letter
December 31, 2014

ML2014-2 – Inmate Banking Fund Accounting Function

Comment

The Inmate Banking Fund is an agency fund. Agency funds are created to account for funds that an entity is holding on someone else's behalf. In this case, funds are held on behalf of the inmates at the Union Parish Detention Center. Operations of the Detention Center Commissary is also accounted for in the software that accounts for inmate funds. The balance in cash at any point in time is due to the inmates or others that are owed because of inmate purchases. At December 31, 2014, the book balance of the bank account was \$405,651. The detailed list of inmate accounts totaled \$12,056. It appears that profit earned for commissary transactions has not been correctly transferred out. The employee responsible for the accounting has completed a significant amount of time researching the issue. This process is difficult because the software for the Inmate Banking Fund does not provide traditional accounting reports such as a general ledger and general journal.

Recommendation

We recommend that the Detention Center Commission review the research with the employee and ensure that she has the resources necessary to develop a conclusion and a solution.

Managements' Response

Responsible Party: Lanny Parker, Chairman, Detention Center Commission

We will implement the auditor's recommendation.

Our procedure are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Police Jury, as of and for the year ended December 31, 2014, which collectively comprise the Police Jury's primary government financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exists.

Also included are management's responses to current year management letter comments. We have performed no audit procedures to verify the content of the responses.

No management letter was issued for the year ended December 31, 2013.

This letter is intended solely for the information of management of the Police Jury and is not intended to be and should not be used by anyone other than management. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

BOSCH & STATHAM, LLC



Jonesboro, Louisiana
October 4, 2015